



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

MAY 27 2009

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T,EP,RA, AZ

Re:

EIN:

Company =

Dear

This letter constitutes notice that your requests for (a) a waiver of the minimum funding standard for the Plan for the plan year ending July 31, 20⁰⁸ and (b) a modification of the conditional waiver of the minimum funding standard for the Plan for the plan year ending July 31, 20⁰⁹, that was granted in a ruling letter dated February 28, 2006, have been granted subject to the following conditions:

- (1) Collateral acceptable to the Pension Benefit Guaranty Corporation ("PBGC") be provided to the Plan for the full amount of the waiver by the later of (a) 120 days from the date of the ruling letter or (b) the earlier of (i) the date the PBGC notifies the Service in writing that this condition has not been met or (ii) 360 days from the date of the ruling letter;
- (2) The Company provides to the PBGC a copy of any ruling request it makes under section 412(c)(7)(B) of the Internal Revenue Code ("Code") (formerly section 412(f)(1) of the Code);
- (3) Starting with the quarterly contribution due on May 15, 2009, the Company makes the required quarterly contributions to the Plan in a timely fashion while the Plan is subject to a waiver of the minimum funding standard. For this purpose, the total amount of each quarterly contribution will be determined in accordance with section 430(j)(3)(D) and section 430(j)(3)(E) of the Code, and can be comprised of several installments made prior to the respective due date of the quarterly contribution;
- (4) The Company makes contributions to the Plan in amounts sufficient to (a) meet the minimum funding requirements for the Plan for the plan years ending July 31, 20⁰⁸ through 20⁰⁹ by April 15, 20⁰⁹ through 20¹⁰ respectively (without applying for a waiver of the minimum funding standard);

- (5) The Company provides proof of payment of all contributions described above to the Service and to the PBGC using the fax numbers or addresses below.

Information must be provided to both _____ of the Service and to _____ of the PBGC (or other individuals designated by the respective agencies), using the addresses or fax numbers below:

Internal Revenue Service
EP Classification
1100 Commerce St. 4923 DAL
Dallas, TX 75242
Fax: 214-413-5507

Pension Benefit Guaranty Corporation
DISC
1200 K Street, N.W.
Washington, DC 20005
Fax: (202) 842-2643

You agreed to these conditions in a letter dated April 29, 2009. If any one of these conditions is not met, the waiver will be retroactively null and void.

The conditional waivers of the minimum funding standard have been granted in accordance with section 412(d) of the Internal Revenue Code and section 303 of the Employee Retirement Income Security Act of 1974 ("ERISA"). The amount for which the conditional waivers have been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account to zero as of July 31, 2005, and July 31, 2007.

The Company is located in _____. The Company designs and builds specialized automated machinery that includes metal forming, welding and joining processes as well as automated assembly machines for the capital goods industry.

The information provided by the Company in the initial request for a waiver indicated that actual revenues were lagging significantly behind projected revenues as of July 31, 20____. However, the Company subsequently provided additional information which included audited financial information for the fiscal year ending October 31, 20____ as well as projected financial information through the fiscal year ending October 31, 20____. Actual revenue for the fiscal year ending in 20____ exceeded the Company's earlier projections. The cash flow projection for the fiscal year ending in 20____ reflected a significant increase in committed orders and a decrease in anticipated orders. The increase in committed orders means actual revenue for the Company during the fiscal year ending in 20____ instead of potential revenue where orders are anticipated.

The projections of 5-year cash flows provided by the Company indicate that the Company's business hardship is temporary. The actual performance of the Company during the fiscal year ending in 20____ indicates that the Company is recovering and that the business hardship should only be temporary. However, because the plan is only 70.99% funded on a current liability basis, the requests for (a) a waiver of the minimum

funding standard for the Plan for the plan year ending July 31, 20 and (b) a modification of the conditional waiver of the minimum funding standard for the Plan for the plan year ending July 31, 20 have been granted subject to the conditions described above.

Your attention is called to section 412(c)(7) of the Code and section 304(b) of ERISA which describe the consequences that would result in the event the Plan is amended to increase benefits, change the rate in the accrual of benefits or to change the rate of vesting, while any portion of the waived funding deficiency remains unamortized. Please note that any amendment to a profit sharing plan or any other retirement plan (covering employees covered by this Plan) maintained by the Company, to increase the liabilities of those plans would be considered an amendment for purposes of section 412(c)(7) of the Code and section 304(b) of ERISA. Similarly, the establishment of a new profit sharing plan or any other retirement plan by the Company (covering employees covered by this Plan) would be considered an amendment for purposes of section 412(c)(7) of the Code and section 304(b) of ERISA.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan year ending July 31, 20 the date of this letter should be entered on Schedule B (Actuarial Information). For this reason, we suggest that you furnish a copy of this letter to the enrolled actuary who is responsible for the completion of the Schedule B.

We have sent a copy of this letter to the _____
to the _____ and to your
authorized representative pursuant to a power of attorney on file in this office.

If you have any questions concerning this matter, please contact

Sincerely yours,



Andrew E. Zuckerman, Director
Employee Plans Rulings & Agreements